



# Department of Justice

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## **CHIEF EXECUTIVE OFFICER AND VICE PRESIDENT OF VECO CORPORATION PLEAD GUILTY TO CORRUPTION AND TAX CHARGES**

WASHINGTON – Bill J. Allen, chief executive officer and part-owner of VECO Corporation, and Richard L. Smith, vice president of community affairs and government relations of VECO Corporation, have pleaded guilty to providing more than \$400,000 in corrupt payments to public officials from the state of Alaska, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Allen and Smith each pleaded guilty at hearings in federal court today in Anchorage, Alaska, to a three-count information charging them with: bribery; conspiracy to commit bribery, extortion under color of official right, and honest services mail and wire fraud; and conspiracy to defraud the Internal Revenue Service of the U.S. Department of Treasury. In filed court documents, Allen and Smith each admitted to conspiring with five current and former members of the Alaska Legislature – identified in court documents as State Representative A, State Representative B, State Representative C, State Senator A, and State Senator B – to provide illegal financial benefits to multiple Alaska elected officials in exchange for those officials' support on legislation pending before the Alaska State Legislature. Allen and Smith also pleaded guilty to one substantive count of bribery, and admitted that they provided greater than \$400,000 in benefits to public officials from the state of Alaska in connection with the scheme.

Allen and Smith each face a maximum penalty of five years and a \$250,000 fine on each of the conspiracy counts, and a maximum penalty of 10 years and a \$250,000 fine on the bribery count.

VECO Corporation, based in Alaska, is an international oil field services company. VECO has been cooperating, and continues to cooperate, in the government's ongoing investigation.

"Two corporate executives have admitted to bribing several Alaskan lawmakers with hundreds of thousands of dollars in illegal benefits in exchange for official acts being taken on their behalf," said Assistant Attorney General Alice S. Fisher of the Criminal Division. These plea agreements show the commitment of the Department of Justice and its law enforcement partners to enforcing the law to protect the integrity of our system of government."

"Today's guilty pleas highlight the FBI's continued efforts to work with our local, state and federal partners to root out the source of public corruption," said Assistant Director Kenneth

W. Kaiser, FBI Criminal Investigative Division. “We will not only pursue corrupt public officials, but also individuals like Bill Allen and Richard Smith who venture to fill the coffers of our officials with corrupt payments in exchange for favors.”

“Success in corporate America should be attainable by all, not just by those who can afford to buy it. The allegations in today’s charges against two corporate executives detail a money trail of bribery of public officials and others for personal gain. IRS Criminal Investigation is pleased to work alongside our law enforcement partners to put a stop to the type of illegal activity outlined today and to help assure a level playing field for all,” said Eileen Mayer, Chief of IRS Criminal Investigation.

Three current and former House members were arrested Friday on indictments stemming from the same investigation. Victor H. Kohring, a current member of the Alaska State House of Representatives, former Alaska House member Bruce Weyhrauch, and former House Member Peter Kott were indicted by a federal grand jury in Anchorage last week on charges including bribery and conspiracy to commit extortion under color of official right.

This case is being prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The ongoing investigation is being led by the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigative Division.

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